President's News Conference on Foreign and Domestic Matters;

ning is a transcript of President Reagan's news conference in Wash-'erday, as recorded by The New York Times:

DOLE ANNOUNCEMENT

President Reagan: Sit down. I have an announcement and also an opening statement, but the announcement statement, but the announcement first, and that's most important and the statement of the

OPENING STATEMENT

I know many of you have questions bout the budget and related matters, not since I'm in the midst of making, ne final decisions, I'd like to address not of those questions when I present to State of the Union and the budget,

the State of the Union and the later this month.

But let me make a few points now that might anticipate some questions. Clearly, we're facing very big deflicits, unless we take action. And we will take action because the deficits are unacceptably large in the out

years. The Federal budget must not become a readblock on the path to long-term of the path of the path

The choices we face as a people are difficult. But in the long run, I believe the budget should have three fundamental objectives: It must meet our must treat the people fairly; It must move toward balance, helping lower the interest rules and providing abasis for sustained economic growth.

basis for sustained economic growth.

I am confident that, working together, we can meet these goals, And now, as I say, since I'll be involved for at least another week in intensive meetings and decisions, I want to hold, experience of the same of the same

QUESTIONS AND ANSWERS

Cuts in Military Budget

Cuts in Military Budget
Q. Mr. President, you may not like
this question, but philosophically,
many of your own party leaders are
calling for outs in military speeding,
as terrifying. They also say that
your in concrete on the subject. My
question to you is: How high does
unemployment have to go and how
much does the economy have to deterforste before you are willing to accept cuts in the defense budget?
A. Well, first of all, Rielen. Joint:
A. Well, first of all, Rielen. Joint
are taken as a military and the
group of economic signs regarding,
that are taken as indicators—have
been up. Retail sales are up 6 percent
that are taken as indicators—have
been up. Retail sales are up 6 percent
over last year; house, home sales are
up 66 per—I mean building of houses
is up 66 percent over last year; sale of

that any taken as indicators — creek revenue to the control of the

leaving unemployment.

Now admittedly, some of those may leave because they've come to the end of their payments, but also a great may be a more than the same that the same pleaves the found employment. There may be some fluctuations in the tenths to percentage points in the present rate, but I believe that we're on the road to the kind of recovery we've been talking about.

Military Spending

Q. On defense spending — increases in military spending?

A. Well you're again — you're trying to get me into the details that I've said their ear no decisions that have been made. I will look at everything. But let me also say something about the concern on the defense securing.

have been made. I will look at everything. But let me also say something
about the concern on the defense
spending.

The time also say something
about the concern on the defense
spending.

It are concerned, because they have
been receiving, through much of the
media, a constant drumbeat that
somehow there is a needless extravagance and that we're overboard on
this particular subject. If lime that in
constant dollars the defense budget is
just about the same as it's been all the
way back to 1962, You will also find
that as a percentage of gross national
product it is smaller than it was the
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that we were meeting the first
priority of Government, which is to
protect the national security. But from
the mational security and the small
that we were meeting the first
or one things — the, and so forth—
by improved management procedures
and improved procurement. And
their commendations will be coming to the
sound in the security of the shall the
should present be peartment. And their
recomme

tly.
If it can be cut, it will be cut. But priority must be, not if it means ucing our ability below the level at the we can declare ourselves safe.

Increases in Taxes

we all hear, of course, that you are admandly opposed to it. I was wondering how incolad is that opposition and your commitment not to raise taxes, particularly in view of the fact that against the property of the course of the fact that against the property of the fact that against the property of the fact that against the property of the fact that a fact that the fact that a fact that the fact that a fact that a fact that a fact that a fact tha

Concerned Over Benefits

unemployment.

Concerned Over Benefits
The other part of the deficit that must be met by those of us here in Government, and solved, and has been there for a long, long time is security to the security of the control of the control

Q. Well, will that include higher taxes this coming year? A. Well, I just said that a tax is the wrong thing to do when you're trying to come out of a recession. Yes.

The Middle East

The Middle East

Q. Mr. President, I can't imagine that you're satisfied with the progress of the property of

Bid for Re-election

Q. Mr. President, when are you going to decide in your own mind,



President Reagan introducing Elizabeth H. Dole at his news conference,

when do you think that you should dedefine you cown mind, whether you'
are going to run again? And when do,
you think the rest of us might find out
about it, from your lips or someone
less's?

A. Oh, I suppose sometime this,
yor,
out you narrow it down a little

Of. Outdy you narrow it down a little

A. Bill our needs have

Cuts in Social Programs

the the growth rate of benefits in the future?

A. Bill, our people have been it
touch with the commission, but I have
to point out something. Social Security
was made a political football—and
not by us and not by me—to the place
the fiscal problems of Social Security
As a matter of fact, those who were
making it a political football a little
more than a year ago denied that it
when we said that it couldn't get by
July of 1983 without a correction being
made, they denied that. At least we've
learned that from the commission;
they have now verified that we were
strait. And the fact that we've already
had to borrow some money to send the
checks is there, but the appointment
of the bipartisan commission was to
get it out of the arena of politics and Cuts in Social Programs

Q. Speaker O'Neill said the other
day that he doesn't think you'll get any
cuts; you'll be lucky to get any cuts in
the social programs. He said \$30 billion; the figure that has been bandled
your old friend Paul Laxailt said that
they were pretty close to the bone,
meaning that he doesn't think there's
much there. Do you agree or do you
think there is some streable amount
think there is not set and the beautiful said that
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think there is some sizeable amount that can be out from that area of the budget?

A Will heard—I heard on the land of the lan

Summit With Soviet Union

Summit With Soviet Union

O. Mr. President, there've been a
number of approaches to the West, recently, by the Soviet Union. Today the
Warsaw Pact proposed a nonaggression pact with NATO. And two weeks
ago, as you know, Mr. Andropov
raised the idea of a summit with you.
What's your seatchin to these new
A. Well this is something. I think, to
be — certainly to be considered, if
that's what be is proposing, is a nonaggression pact. But in regard to a summit. I am, in principle, in favor of
that is proposing, is a nonaggression pact. But in regard to a summit. I am, in principle, in favor of
that is proposing that the would be there.
And then, we know now I'm sure
why he couldn't make that trip, and so
we ddn't. But I think that a summit is
something requires some plan and
well whar'll we talk about.
I think you have to plan and you
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I think you have to plan and you
well whar'll we talk about.
I would welcome a summit,
ijust as I welcomed his suggestion
darms.
Q. Mr. President, what about

just as I welcomed his suggestion about continuing the talks on reducing of arms.

Q. Mr. President, what about today's proposals for a nonaggression pact between NATO and the Warsaw Pact?

A. Well, as I say, I think this something that has just happened and this is something that would requisit consultation with all of our allies in NATO.

NATO. Hiring of the Unemployed

Hiring of the Unemployed
Q. Mr. President, a couple of weeks
ago you made a public appeal to
American businessmen for each of
them to hire one unemployed persons
existent of the common services of them to hire one unemployed persons
existent from them to that so far?
A. Well, I can't say that I've's undlong enough to receive mail—that
I've'received — well, it hasn't been
long enough to receive mail—that
I've received a flood. I have had comments made to me by people who approved of that. And some of them
caused them to think and that they're
caused them to think and that they're
hought.

Bill.

Social Security Problem

Q. Mr. President, Republicans and Democrats, both, on your Social Se-curity Commission seem to have indi-cated that they—we use white House

Creation of Jobs Program

A Nancy.
Q. Mr. President, during the lame duck session of Congress, the House and Senate each individually approved the jobs program. They subsequently withdrew them at your request and your threatened veto. Yet, clude a jobs program in your budget. Will you do so in your budget Will you do so in your budget Will you feer any kind of a detailed job-creating program?

will you'do so in your budget? Will you ofter any kind of a detailed job-creating program?

A. Well, we think that we've done several things along that line. And several things along that line. And the several things along that line. And the several things along that line. And the several seve

some to get amoune export neces and sold with odulars of export makes about 9,000 and the program was really designed to meet an emergency in our transportation system — that is also going to provide 300 or 350,000 jobs. But let me point out that the Housing Subsidy Bill that I vetoed last summers of the point out that the Housing Subsidy Bill that I vetoed last summers of the program, had it been signed, would probably just begin, now or in the near trure, to be operative. But suddenly in this same period of time, by depending on the market forces, housing starts are up 69 percent; general continued to the summer of the probable with those so-called job bills — one of them that was talked of in the Congress and that I refused and said it wouldn't sign wasn't slated to go time to wait for some jobs — most of the probable with the special point of the public sector, but no one ever turns around to see what the spending over here id did to create some unemjoyment over here in a different section. tion.
So I just don't think it's the answer.
I think that most job bills come down to being pork barrel.

Recession and Crime

Arms Reduction Plans

Tax to Aid Pension Fund Q. Mr. President, you were trying to sell security. The chairman of your commission, Mr. Greenspan, says that after meeting with your aides and with people on the Hill that there was a consensus that the solution revolves around a speeding up of payroll taxes

of the bipartisan commission was to get it out of the arena of politics and let a bipartisan group come back with, if they could not reach a consensus, at least with some alternatives. And then I think is the time that we join to-

least with some alternatives. And then think is the time that we join to gether and seek to work out a comprosent of the seek of the seek

Attempt on Pope's Life

Attempt on Pope's Life

Q. Mr. President, there've been
many allegations that the Bulgarian
intelligence Service was behind the
attempt over the Bulgarian
strength of the Bulgarian
strength of the Bulgarian
strength of the Bulgarian
strength of the Bulgarians were behind it?
A the Bulgarians were behind it?
But as long as they re investigating,
I don't think it would be proper for me
would have no information except the
same things that all of us know about
this.
Q. If it turned out that the Bulgar-

they open their mouths.

Arms Reduction Plans
Q. Mr. President, without getting into any detail, which I know you don't want to get into, do you agree with Senator Laxait that there are ways to stretch out defense buildup — over the next six or stretch out defense buildup — over the next six or stretch out defense buildup — over the next six or stretch out defense buildup — over the next six or stretch out defense buildup — over the next six or stretch out defense buildup — over the next six or stretch out for the next six or stretch out of the next six of A well, think that well as well as the series of the constraint of

Debts of Nations

Q. Mr. President, as you know, concern has arisen in the financial community over the large debts accumulated by some developing nations, I believe, 300 billion in Latin America believe, 300 billion in Latin America banking system as a result of these large debts? And what steps is your Administration taking to deal with the problem?

A. Well, of course there's a risk. I think it's a louchy financial situation would wide.

We have been taking a number of steps with regard to the International Monetary Punds that are available for steps with regard to the International Monetary Punds that are available for uniformational monetary Punds and the problem of the punds of the pund

and stowing down future benefit growth Does that mean that the growth Does that Does

Retraining of Work Force

Retraining of Work Force.

A. I'll get you next.

O. Mr. Prosident, each year—pickeach year this Government pays
to millions of dollars to workers wing
last their jobs or the firms that loss
part of their markets due to foreign
competition. Now in light of the pricepects of tuture hundred-billion-dollar,
plus Federal deficits and the fact this
many economists said that industries
like such auto, and textiles must lim
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Recession and Crime

Q. Mr. President, do you share the view of elected officials in Miam that the ricting there over the holidays was brought on as much by joblessness and economic hardship as by racial tensions? And if you don't share that view, do you see any danger in people with their backs on high their frustration in acts of crime and violence?

A. I would hate to see that happen and it certainly would bespeak a difference in the character of our people-Because in the Great Depression nothing like that ever took place. When the swall have the control of the contr

Q. Yes sir. Jack Anderson said the other day on a program where he was interviewed by the 700 Club that we ve he was interviewed by the 700 Club that we ve he was interviewed by the 700 Club that we ve he was interviewed by the 700 Club that we ve he was interviewed by the 700 Club that we very head to our able to operate, and he said that to mable to operate, and he said that to fall that expensive electronic gadgety which our military contractors, put on these planes, which are not see, essary he said, and which he said add to the proper seed of a said that the said the said the said that the said that the said the said the said the said that the said that the said th

Approved For Release 2010/09/13: CIA-RDP90-00552R000505370098-6